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STATE FOR NEA/ARP, EB/TPP/BTA

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TAGS: [ETRD](#) [ECON](#) [KBCT](#) [AE](#)

SUBJECT: SHEIKHA LUBNA ON FTA NEGOTIATIONS

REF: ABU DHABI 2420

¶1. (SBU) Summary: On June 14, Minister of Economy Sheikha Lubna Al-Qasimi told Ambassador and Econchief that she was facing increasing local opposition to the FTA. She stressed the importance of continuing with discussions/negotiations on the investment chapter of the FTA as "a critical path" to concluding an agreement successfully. She also said that she wanted to re-energize the other negotiating groups to move forward simultaneously with the investment group. She reiterated the UAEG's commitment to eliminate application of the Arab League's secondary and tertiary boycott and expressed frustration that UAE companies and agencies were still using old language that did not reflect UAEG policy. She said that she would be visiting Washington from June 19 to 23 to conduct Congressional outreach and also hoped to meet with USTR Schwab. She planned to meet with Representative Sue Kelly (R-NY) to respond to her concerns about UAE efforts to counter terror finance and proliferation. End Summary.

UAEG Facing Increasing Local Opposition to FTA  
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¶3. (SBU) Sheikha Lubna said that she faced increasing local sentiment opposed to the FTA, and that it was now broader than just the Dubai merchant families. She explained that UAE public opinion was being shaped negatively by the strong U.S. public opposition to DP World's investment in U.S. port operations and this week's press mention of Rep. Kelly's recent letter to the UAEG expressing concerns that the UAE needed to do more to reduce its vulnerability to exploitation by terrorist organizations and nuclear proliferators. She said that her upcoming trip to Washington would focus on public outreach in order to promote the FTA and the bilateral economic relationship.

Both Investment and Non-Investment Negotiations Important  
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¶4. (SBU) Sheikha Lubna said that the FTA investment group and natural resources represented a "critical path" for the success of the FTA negotiations. She added, however, that the discussions were not going as quickly as either side had hoped, stressing that the issue of natural resources in the UAE came under the authority of individual emirates rather than the federal government, requiring a great deal of internal consultation. She urged that the U.S. and the UAE continue the discussion on natural resources in July, and added that she had discussed with MinFin A/US Khalid Al-Bustani the need to re-energize discussion among the other negotiating groups.

Boycott: Commitment to Resolve  
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¶5. (SBU) Sheikha Lubna raised econchief's June 12 meeting with MinEcon U/S Al-Saleh about the Arab League Boycott (reftel). She reiterated the UAE's commitment to resolve the remaining applications of secondary and tertiary boycott language and expressed her frustration with both the number of remaining cases and the fact that the same companies and government entities kept appearing. She said "we've told them" that they needed to change language to reflect UAEG policy. She added that she might instruct Al-Saleh to call the companies/agencies into a joint meeting to try and push forward cooperation.

Visiting the U.S. to promote FTA and Respond to Concerns  
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¶6. (SBU) Sheikha Lubna will be in the United States from June 19 to June 23 to meet with members of Congress to promote the FTA. She also plans to meet with Representative Sue Kelly to provide an initial response to her stated concerns -- although she stressed that the MFA was responsible for coordinating a formal written response. She said that the UAE shared the international community's concerns about Iran, but stressed that geographic proximity meant that the UAE had to engage with the country. Absent international (UN) sanctions, she said, the UAE could not cut trade or financial ties with its neighbor.  
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